



**STATE OF UTAH INSURANCE DEPARTMENT**

**REPORT OF FINANCIAL EXAMINATION**

of

**SECURITY NATIONAL LIFE INSURANCE COMPANY**

of

Salt Lake City, Utah

as of

December 31, 2020



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February 22, 2022

Honorable Jonathan T. Pike, Commissioner  
Utah Insurance Department  
4315 S. 2700 West, Ste. 2300  
Taylorsville, UT 84129

Commissioner:

Pursuant to your instructions and in compliance with Utah Code § 31A-2-204, a multi-state examination, as of December 31, 2020, has been made of the financial condition and business affairs of:

**SECURITY NATIONAL LIFE INSURANCE COMPANY**  
Salt Lake City, Utah

hereinafter referred to in this report as “the Company”, and the following report of examination is respectfully submitted.

**SCOPE OF EXAMINATION**

Period Covered by Examination

This full-scope, multi-state examination of the Company was conducted by representatives of the Utah Insurance Department (Department) and covers the period of January 1, 2018, through December 31, 2020, including any material transactions and/or events occurring subsequent to the examination date and noted during the course of the examination. This was a coordinated examination in which insurance department representatives from Louisiana, Mississippi and Texas also participated. The last examination of the Company covered the period of January 1, 2014 through December 31, 2017, and was conducted in the same manner.

Examination Procedures Employed

We conducted our examination in accordance with the *National Association of Insurance Commissioners Financial Condition Examiners Handbook* (Handbook). The Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause the Company’s surplus to be materially misstated both currently and prospectively.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management’s compliance with Statutory Accounting Principles. The examination, however, does not attest to the fair presentation of the financial statements included herein. If during the course of the examination an adjustment is identified, the impact of such

adjustment will be documented separately following the Financial Statements section of this report.

This examination report includes significant findings of fact, as mentioned in Utah Code § 31A-2-204, and general information about the Company and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but separately communicated to other insurance regulators and/or the Company.

## **SUMMARY OF SIGNIFICANT FINDINGS AND RECOMMENDATIONS**

There were no significant findings or recommendations for inclusion in this report.

## **COMPANY HISTORY**

### **General**

The Company was organized on January 31, 1967, as Tower Life and Accident Insurance Company, an Illinois corporation. On August 29, 1989, the Company redomesticated to Florida and then on January 1, 1990, merged with its insurance subsidiary, Capital Investors Life Insurance Company. The Company again redomesticated to Utah on December 29, 1994. This same year, the Company became part of the Security National Financial Corporation (SNFC) holding company system when it was acquired from Suncoast Financial Corporation.

In December 1995, the Company merged with Security National Life Insurance Company, a Utah domiciled insurer, and Civil Service Employees Life Insurance Company, a California domiciled insurer, with the Company being the surviving corporation. In March 1996, the Department approved Articles of Amendment to Articles of Re-domestication to change the Company's name to Security National Life Insurance Company. The Articles of Incorporation authorize the issuance of 50,000 shares of common stock. As of December 31, 2020, the Company had 15,000 shares of common stock issued and outstanding at a par value of \$170 per share. All outstanding shares are owned by SNFC.

The primary business of the Company is the sale of selected lines of individual life insurance and annuity products and a small amount of accident and health products. This is sold through a commissioned sales force of licensed insurance agents. The majority of business is conducted in the states of Mississippi, Louisiana, Texas, and Utah.

### **Dividends and Capital Contributions**

Policyholder dividends during the examination period were as follows:

2018	2019	2020
\$403,354	\$392,921	\$384,206

There were no dividends paid or declared to shareholders during the examination period.

As of December 31, 2019, the Company received a \$4,000,000 capital contribution from SNFC.

As of December 31, 2019, the Company also received a \$3,000,000 stockholder dividend from its wholly owned subsidiary, Kilpatrick Life Insurance Company (KLIC), and a \$500,000 stockholder dividend from its wholly owned subsidiary, First Guaranty Insurance Company (FGIC).

### Mergers and Acquisitions

On October 11, 2019, the Company completed a Stock Purchase Agreement with KLIC and its former shareholders to purchase all outstanding shares of KLIC common stock. The agreement was finalized December 13, 2019, and the Company paid \$23,779,940 to KLIC shareholders, resulting in goodwill of \$5,429,210. As of December 31, 2020, the goodwill balance was \$4,841,046 with \$2,439,075 being non-admitted.

## **MANAGEMENT & CONTROL INCLUDING CORPORATE GOVERNANCE**

### Board of Directors

The Company's bylaws indicate that the Board shall not be less than three (3) directors. The following persons served as directors for the Company as of December 31, 2020:

<b>Name and Location</b>	<b>Principal Occupation</b>
Scott Milton Quist Sandy, UT	Chairman of the Board, President, CEO Security National Financial Corporation
Jason Gary Overbaugh Draper, UT	Vice President, National Marketing Director Security National Financial Corporation
Scott Andrew Quist Draper, UT	Vice President, General Counsel Security National Financial Corporation
Howard Craig Moody Sandy, UT	Owner Moody & Associates
Robert Gail Hunter, M.D. Sandy, UT	Doctor, Head of Otolaryngology Intermountain Medical Center
Norman Gilbert Wilbur * Mead, CO	Retired JC Penny's
Gilbert Amos Fuller Sandy, UT	Retired USANA Health Sciences, Inc.
John Lester Cook Sandy, UT	Co-Owner and Operator Cook Brothers Painting, Inc.

\* - Retired in Q2 2021

## Committees

The Company's bylaws require that an Audit Committee be organized, and provide guidance for other operational committees. Each committee shall consist of three (3) or more directors.

Board committees were comprised of the following directors as of December 31, 2020:

<b>Executive Committee</b>	<b>Audit Committee</b>
Scott Milton Quist (Chair)	Norman Gilbert Wilbur (Chair) *
Howard Craig Moody	John Lester Cook
Gilbert Amos Fuller	Gilbert Amos Fuller (Acting Chair)
Scott Andrew Quist	Howard Craig Moody

\* - Retired in Q2 2021

<b>Compensation Committee</b>	<b>Nomination and Corporate Governance Committee</b>
Norman Gilbert Wilbur (Chair)	Howard Craig Moody (Chair)
John Lester Cook	John Lester Cook
Gilbert Amos Fuller	Gilbert Amos Fuller
Robert Gail Hunter, M.D.	Norman Gilbert Wilbur
Howard Craig Moody	Robert Gail Hunter, M.D.

## Officers

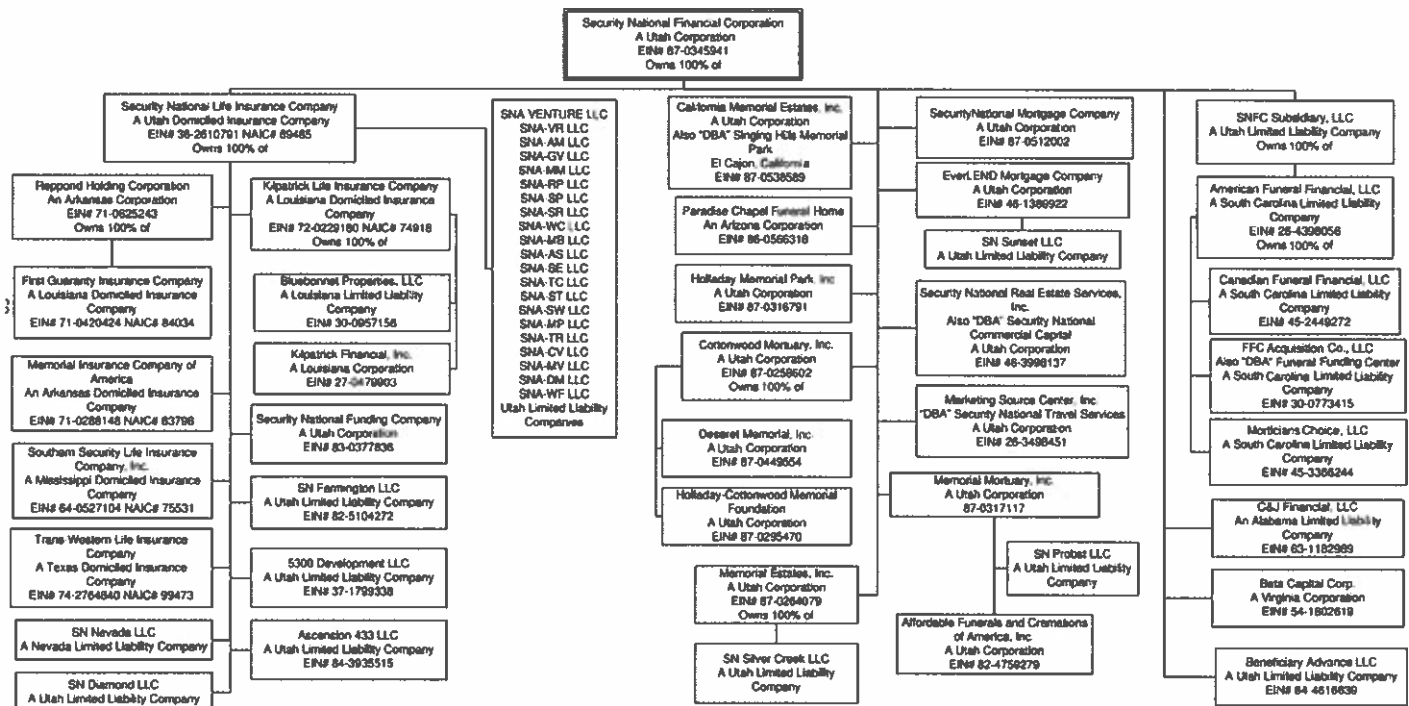
The following persons served as officers of the Company as of December 31, 2020:

<b>Name</b>	<b>Title</b>
Scott Milton Quist	President, CEO
Garrett Stephen Sill	Treasurer, CFO
Jeffrey Russell Stephens	Secretary, Senior General Counsel
Joshua Michael Keddington	Vice President – IT Operations
Diana Carroll Olson	Vice President, Controller
Jason Gary Overbaugh	Vice President, National Marketing Director
Adam George Quist	Vice President, Assistant Secretary, General Counsel
Scott Andrew Quist	Vice President, General Counsel
Jason Ray Richardson	Vice President, Home Service Insurance Sales
Aaron Dee Searle	Vice President - IT Application Development
Stephen Williams Turner	Vice President, Assistant Treasurer
John Wayne Van Valkenburg	Vice President – Actuarial Services & Product Development
Guy Victor Winstead	Vice President – Insurance Sales & Marketing

## Holding Company

The Company is a member of a holding company as defined in Utah Code § 31A-16 and is a wholly owned subsidiary of SNFC, a Utah corporation registered with the Securities and Exchange Commission. SNFC is owned by individual shareholders and operates in three main segments: life insurance, cemetery and mortuary, and mortgage loans.

The following organizational chart depicts the holding company as of December 31, 2020:



## Transactions and Agreements with Affiliates

The following are the significant affiliate agreements and transactions in place as of December 31, 2020:

### Loan Funding and Fee Agreement with Security National Mortgage Company (SNMC)

Effective August 2, 1993, the Company entered into a Loan Funding and Fee Agreement with SNMC. Under the terms of the agreement, residential mortgage loans originated by SNMC are assigned to the Company, and the Company funds the loans and becomes the loan owner. The Company holds the loans as short-term investments until it receives the proceeds from third party investors. The Company receives interest income from SNMC based on how long the loans are outstanding. The Company had outstanding loan purchases of \$51,547,521 as of December 31, 2020. Included in investment income was \$3,142,760 for the period ended December 31, 2020.

The agreement has been amended several times with the most recent amendment effective March 26, 2018.

*Funding and Fee Agreement with C&J Financial LLC (C&J)*

Effective July 16, 2007, the Company entered into a Funding and Fee Agreement with C&J. C&J purchases insurance policies that have been assigned to mortuaries and funeral homes by the beneficiary. Under the terms of the agreement, the Company purchases these insurance policies from C&J and obtains the rights to policy distributions. C&J processes the respective insurance claims on behalf of the Company for a fee. The amount invested in these contracts was \$22,792,443 at December 31, 2020. Included in investment income was \$3,072,335 for the period ended December 31, 2020.

*Loan Participation Agreement with SNMC*

Effective September 30, 2008, the Company and SNMC entered into a Loan Participation Agreement whereby SNMC agrees to purchase participation interests in loans held by the Company to assure the loan value held by the Company in each loan does not exceed 80% of the mortgaged real estate value. SNMC purchased participation interests in 19 loans and paid to the Company the total purchase prices of \$2,240,656 for the period ended December 31, 2020.

*Real Estate Contracts with Memorial Estates, Inc. (MEI)*

From 2009 to 2011, the Company entered into Real Estate Contracts with MEI, wherein certain residential properties owned by the Company were sold to MEI at the Company's book value on the date of sale. Each property sold is a separate Real Estate Contract and is shown on Schedule B as residential mortgage loans in good standing. In the event that MEI sells the property, the Company retains 50% of profits or gains upon the sale of the property unless the Company elects otherwise. The amount outstanding from MEI was \$1,215,939 as of December 31, 2020.

Effective November 28, 2016, the Company entered into a Modification of Real Estate Contracts with MEI to amend the provisions related to payments and due dates, interest accruals, and each entities' responsibilities.

*Funding and Fee Agreement with American Funeral Funding LLC (AFF)*

Effective June 4, 2014, the Company entered into a Funding and Fee Agreement with AFF. AFF purchases insurance policies that have been assigned to mortuaries and funeral homes by the beneficiary. Under the terms of the agreement, the Company purchases these insurance policies from AFF and obtains the rights to policy distributions. AFF processes the respective insurance claims on behalf of the Company for a fee. The amount invested in these contracts was \$23,183,741 at December 31, 2020. Included in investment income was \$3,411,355 for the period ended December 31, 2020.

*Services and Cost Sharing Agreement*

Effective March 1, 2015, the Company entered into a Services and Cost Sharing Agreement with all wholly owned insurance subsidiaries and certain other SNFC affiliates. Under the terms of the agreement, the Company agrees to provide operational services and office space to the contracted counterparties. The agreement is periodically amended to incorporate newly acquired entities with the most recent amendment effective on June 25, 2018. The Company received net proceeds of \$4,089,610 from its affiliates pursuant to the terms of this agreement for the year ended December 31, 2020.



*Loan Funding and Fee Agreement with EverLEND Mortgage Company (EverLEND)*

Effective August 1, 2014, the Company entered into an amended Loan Funding and Fee Agreement and Agency Agreement with EverLEND. Under the terms of the agreement, EverLEND assigns their interest in residential mortgage loans that have been pre-sold to third party investors to the Company. The Company purchases these loans and holds them as short-term investments until it receives the proceeds from the third party investors. The Company receives interest income from EverLEND based upon how long the loans were outstanding. The Company had no outstanding loan purchases as of December 31, 2020. Included in investment income was \$15,000 for the year ended December 31, 2020.

*Loan Servicing Agreement with SNMC*

Effective November 1, 2016, the Company entered into a Loan Servicing Agreement with SNMC. Under the terms of the agreement, SNMC provides loan servicing expertise that includes, but is not limited to, loan level accounting, maintenance of loan files, collection and application of payments, and other loan servicing functions. The Company paid SNMC a total of \$315,655 for the year ended December 31, 2020.

*Master Mortgage Loan Sale Agreement with SNMC*

Effective October 1, 2017, the Company entered into a Master Mortgage Loan Sale Agreement with SNMC to memorialize writing certain verbal agreements, terms and conditions relating to the sale, delivery and servicing of mortgage loans. Under the terms of this agreement, the Company agrees to fund and purchase mortgage loans meeting the Company's mortgage loan criteria and SNMC agrees to originate, process, close, and prepare for funding said mortgage loans. The agreement also details the duties relating to the delivery of loan documents and provides the Company with certain representations and warranties. The Company funded \$20,389,816 of mortgage loans for the year ended December 31, 2020.

*Line of Credit Agreement with SNMC*

Effective March 26, 2018, the Company entered into a Line of Credit Agreement with SNMC. Under the terms of the agreement, the Company agrees to make a \$6,000,000 secured line of credit available to SNMC. The Company can advance loans to SNMC and SNMC uses those funds to originate mortgage loans which are subsequently sold to third party investors.

*Funding and Fee Agreement with Beta Capital Corporation (BCC)*

Effective June 1, 2018, the Company entered into a Funding and Fee Agreement to purchase of life insurance policies on behalf of BCC. BCC purchases insurance policies that have been assigned to mortuaries and funeral homes by the beneficiary. Under the terms of the agreement, the Company purchases these insurance policies from BCC and obtains the rights to policy distributions. BCC processes the respective insurance claims on behalf of the Company for a fee. The amount invested in these contracts was \$4,429,503 at December 31, 2020. Included in investment income was \$669,473 for the period ended December 31, 2020.

*Surplus Notes*

The Company has six surplus debentures, or surplus notes, totaling \$16,988,562, all of which are held by affiliates without a maturity date. The surplus debentures are as follows:

- Issued on January 30, 1989, a \$2,000,000 debenture, owned by SNFC. The interest rate is bank prime plus 1%. The Company paid \$91,068 in interest during 2020.
- Issued on December 31, 2000, a \$1,000,000 debenture, owned by SNFC. The interest rate is bank prime plus 2.5% with a minimum and maximum rate of 9% and 11%, respectively. The Company paid \$90,247 in interest during 2020.
- Issued on December 31, 2003, a \$2,400,000 debenture, owned by SNMC. The interest rate is bank prime plus 1%. The Company paid \$109,283 in interest during 2020.
- Issued December 20, 2008, a \$4,000,000 debenture, owned by Holladay Cottonwood Memorial Foundation, an affiliate. The interest rate is bank prime plus 4% with a minimum and maximum rate of 6% and 8.5%, respectively. The Company paid \$300,741 in interest during 2020.
- Issued December 19, 2012, a \$4,684,208 debenture, owned by SNFC. The interest rate is 4.85% per annum. The Company paid \$227,808 in interest during 2020.
- Issued July 11, 2016, a \$2,904,354 debenture, owned by SNFC. The interest rate is 4.85% per annum. The Company paid \$141,252 in interest during 2020.

## **TERRITORY AND PLAN OF OPERATION**

As of December 31, 2020, the Company was licensed in the following forty (40) states and territories:

Alabama	Hawaii	Minnesota	Oregon
Alaska	Idaho	Mississippi	Pennsylvania
Arizona	Illinois	Missouri	South Carolina
Arkansas	Indiana	Montana	South Dakota
California	Iowa	Nebraska	Tennessee
Colorado	Kansas	Nevada	Texas
Delaware	Kentucky	New Mexico	Utah
District of Columbia	Louisiana	North Dakota	Virginia
Florida	Maryland	Ohio	Wisconsin
Georgia	Michigan	Oklahoma	Wyoming

A significant portion of policies written by the Company are marketed as a means to fund funeral and interment related costs. The Company primarily writes preneed and final expense life insurance, whole life insurance, single premium deferred annuities, and flexible premium deferred annuities and immediate annuities.

## REINSURANCE

### Assumed

The Company enters into assumption reinsurance transactions predominantly in conjunction with its growth strategy, including merger and acquisition activity. As of December 31, 2020, the Company has assumed all or the majority of the following insurers' life business under 100% coinsurance:

<b>Effective Date</b>	<b>Cedent (A – Affiliated, U – Unaffiliated)</b>	<b>Amount In-Force</b>
12/31/2005	Memorial Insurance Company of America (A)	\$37,913,779
12/31/2007	Royalty Capital Life Insurance Company (U)	\$13,941,902
8/31/2008	Southern Security Life Insurance Company (A)	\$32,849,790
3/30/2011	North Carolina Mutual Life Insurance Company (U)	\$1,967,357
5/2/2012	Trans-Western Life Insurance Company (A)	\$17,610,716
11/1/2012	Southland National Insurance Corporation (U)	\$53,486,267
1/1/2015	American Republic Insurance Company (U)	\$26,376,670

Prior to the acquisition, the Company and KLIC entered into a 100% Coinsurance Agreement, effective October 1, 2019. The Coinsurance Agreement was terminated on December 16, 2019 and KLIC recaptured all of its ceded policies.

### Ceded

The Company retains no more than \$100,000 of ordinary insurance per insured life, with the excess risk being reinsured. Policies with a face value exceeding retention were not issued during the exam period. The total amount of ceded insurance in force was \$44,931,521 as of December 31, 2020. Following are significant agreements in place as of December 31, 2020:

#### *Southern Financial Life Insurance Company (Southern Financial)*

Effective March 30, 2011, the Company entered into a Reinsurance Agreement with Southern Financial, an unauthorized reinsurance company domiciled in Louisiana, and a Reinsurance Trust Agreement with Southern Financial and JPMorgan Chase Bank. Southern Financial assumes 50% of certain life and annuity business from the Company. The Company reported a \$3,994,230 reserve credit as of December 31, 2020.

#### *LJA Insurance Company (LJA Insurance)*

Effective November 1, 2014, the Company entered into a Coinsurance Funds Withheld Reinsurance Agreement with LJA Insurance, an unauthorized reinsurance company domiciled in the Republic of the Marshall Islands. LJA assumes 100% of deferred annuities that were originally assumed by the Company from other insurers. The Company reported a \$4,061,952 reserve credit as of December 31, 2020.

## **FINANCIAL STATEMENTS**

The following financial statements are based on the statutory financial statements filed by the Company with the Department and present the financial condition of the Company for the period ending December 31, 2020. The accompanying COMMENTS ON FINANCIAL STATEMENTS (if any) reflect any examination adjustments to the amounts reported in the annual statement and should be considered an integral part of the financial statements.

SECURITY NATIONAL LIFE INSURANCE COMPANY  
BALANCE SHEET

as of December 31, 2020

ASSETS

	Net Admitted Assets
Bonds	\$ 172,048,283
Preferred stocks	8,072
Common stocks	38,285,369
Mortgage loans: first liens	129,826,571
Real estate: occupied by the company	1,304,641
Real estate: held for the production of income	85,202,385
Real estate: held for sale	4,704,069
Cash, cash equivalents and short-term investments	209,045,810
Contract loans	5,912,717
Other invested assets	5,382,521
Receivables for securities	21,750
Investment income due and accrued	5,295,882
Uncollected premiums, agents' balances in the course of collection	393,627
Deferred premiums, agents' balances booked but not yet due	16,009,322
Other amounts receivable under reinsurance contracts	43,184
Net deferred tax asset	846,475
Electronic data processing equipment and software	520,097
Receivables from parent, subsidiaries and affiliates	2,932,029
Aggregate write-ins for other than invested assets	371,201
Total assets	<u>\$ 678,154,005</u>

SECURITY NATIONAL LIFE INSURANCE COMPANY  
BALANCE SHEET (CONTINUE)

as of December 31, 2020

LIABILITIES, SURPLUS, AND OTHER FUNDS

	<u>Current Year</u>
Aggregate reserve for life contracts	\$ 566,830,503
Aggregate reserve for accident and health contracts	433,091
Liability for deposit-type contracts	3,540,436
Contract claims: life	9,246,909
Contract claims: accident and health	15,000
Dividends not yet apportioned	60,431
Premiums and annuity considerations received in advance	573,895
Interest maintenance reserve	237,656
General expenses due or accrued	7,988,258
Taxes, licenses and fees due or accrued, excluding federal income taxes	829,618
Current federal and foreign income taxes	1,113,639
Unearned investment income	194,845
Amounts withheld or retained as agent or trustee	2,215,235
Amounts held for agents' account	322,077
Remittances and items not allocated	1,745,567
Asset valuation reserve	20,921,102
Funds held under reinsurance treaties	4,061,952
Payable to parent, subsidiaries and affiliates	4,327,706
Derivatives	43,097
Aggregate write-ins for liabilities	<u>363,804</u>
Total liabilities	625,064,820
Common capital stock	2,550,000
Surplus notes	16,988,562
Gross paid in and contributed surplus	14,562,810
Unassigned funds (surplus)	<u>18,987,813</u>
Total capital and surplus	53,089,185
Total liabilities, surplus and other funds	<u>\$ 678,154,005</u>

SECURITY NATIONAL LIFE INSURANCE COMPANY  
SUMMARY OF OPERATIONS

for the Year Ended December 31, 2020

	Current Year
Premiums and annuity considerations	\$ 87,077,858
Net investment income	38,311,014
Amortization of Interest Maintenance Reserve	136,748
Commissions and expense allowances on reinsurance ceded	106,185
Charges and fees for deposit-type contracts	96,192
Aggregate write-ins for miscellaneous income	503,600
Total revenue	126,231,597
Death benefits	46,903,021
Matured endowments	74,313
Annuity benefits	11,072,164
Disability benefits, benefits under accident and health contracts	102,493
Surrender benefits and withdrawals for life contracts	3,600,222
Interest and adjustments on contract or deposit-type contract funds	186,768
Increase in aggregate reserves for life, accident and health contracts	15,585,590
Total benefits and increase in aggregate reserves	77,524,571
Commissions on premiums, annuity considerations, deposit-type contracts	18,381,939
Commissions and expense allowances on reinsurance assumed	111,456
General insurance expenses and fraternal expenses	21,783,417
Insurance taxes, licenses and fees, excluding federal income taxes	3,406,026
Increase in loading on deferred and uncollected premiums	(279,552)
Total benefits, increase in aggregate reserves, and expenses	120,927,857
Net gain before dividends, refunds, and federal income taxes	5,303,740
Dividends to policyholders and refunds to members	384,206
Net gain after dividends and refunds, before federal income taxes	4,919,534
Federal and foreign income taxes incurred	(1,076,011)
Net gain after dividends, refunds and federal income taxes	5,995,545
Net realized capital gains (losses)	59,217
Net income (loss)	\$ 6,054,762

**SECURITY NATIONAL LIFE INSURANCE COMPANY  
RECONCILIATION OF CAPITAL AND SURPLUS**

2018 through 2020

	2018	2019	2020
Capital and surplus, December 31, prior year	\$ 35,646,989	\$ 47,184,064	\$ 49,390,182
Net income	17,963,528	3,589,553	6,054,762
Change in net unrealized capital gains (losses)	(160,737)	(1,515,111)	364,576
Change in net deferred income tax	(299,583)	1,117,768	(1,831,474)
Change in nonadmitted assets	(598,186)	(4,639,419)	1,803,141
Change in asset valuation reserve	(6,564,319)	(346,673)	(2,692,002)
Change in surplus notes	-	-	-
Surplus adjustment: Paid in	-	4,000,000	-
Change in surplus as a result of reinsurance	-	-	-
Net change in surplus for the year	11,537,075	2,206,118	3,699,003
Capital and surplus, December 31, current year	<u>\$ 47,184,064</u>	<u>\$ 49,390,182</u>	<u>\$ 53,089,185</u>

**ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS**

No adjustments were made to capital & surplus as of December 31, 2020 as a result of the examination.

**SUBSEQUENT EVENTS**

The following significant events occurred subsequent to the examination period:

- Norman Gilbert Wilbur retired from the Board of Directors in the second quarter of 2021 and has not been replaced as of the date of this report.
- During examination fieldwork, Memorial Insurance Company of America (MICOA), a wholly owned insurance subsidiary, was sold to a third party and is no longer part of the holding company system. The Company recaptured a small block of health insurance policies that were transferred to MICOA as part of the 2005 reinsurance agreement.
- Effective June 4, 2021, the Company replaced its existing Loan Participation Agreement with SNMC, originally dated September 30, 2008. The Department did not disapprove this agreement on August 24, 2021.



## ACKNOWLEDGEMENT

Lisa Bringman, CRP, CBA, and David Gordon, CISA, CFE (Fraud), CDFE, of INS Regulatory Insurance Services Inc., performed the information systems review. T. Michael Presley, FSA, MAAA, of Risk & Regulatory Consulting, LLC (RRC), performed the actuarial review. Scott Eady, CPA, CFE, and Barry Lupus, both of RRC and representatives of the Mississippi Insurance Department, performed the investments and related party reviews, respectively. Edward Toy, MBA, and Laura Clark, CPA, CFE, of RRC also assisted on the investments review. Alan Monsen and Angela Alires, of Utah Insurance Department, participated in this examination. Malis Rasmussen, MSA, CFE, SPIR, Chief Examiner, of Utah Insurance Department, supervised the examination.

They join the undersigned in acknowledging the assistance and cooperation extended during the course of the examination by officers and representatives of the Company.

Respectfully submitted,

A handwritten signature in black ink that reads "Natasha Robinson". The signature is written in a cursive, flowing style.

Natasha Robinson, CFE, PIR  
Examiner-in-Charge  
Utah Insurance Department